

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

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In re:	:	
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THE FINANCIAL OVERSIGHT AND	:	PROMESA
MANAGEMENT BOARD FOR PUERTO RICO,	:	Title III
	:	
as representative of	:	Case No. 17-BK-3283 (LTS)
	:	
THE COMMONWEALTH OF PUERTO RICO <i>et al.</i> ,	:	(Jointly Administered)
	:	
Debtors. ¹	:	
	X	

**URGENT MOTION OF OFFICIAL COMMITTEE OF UNSECURED CREDITORS TO
EXPEDITE CONSIDERATION OF URGENT MOTION OF OFFICIAL COMMITTEE
OF UNSECURED CREDITORS, PURSUANT TO BANKRUPTCY CODE SECTIONS
105(a) AND 362, FOR ENTRY OF ORDER ENFORCING AUTOMATIC STAY AND
COURT’S JUNE 29, 2017 ORDER CONFIRMING APPLICATION OF AUTOMATIC
STAY WITH RESPECT TO GDB RESTRUCTURING**

To the Honorable United States District Court Judge Laura Taylor Swain:

The Official Committee of Unsecured Creditors of all Title III Debtors (other than COFINA) (the “Committee”), respectfully files this urgent motion (the “Urgent Motion”) requesting entry of an order, substantially in the form attached hereto as **Exhibit A** (the “Proposed Order”), for expedited consideration of the *Urgent Motion of Official Committee of Unsecured Creditors, Pursuant to Bankruptcy Code Section 105(a) and 362, for Entry of Order Enforcing Automatic Stay and Court’s June 29, 2017 Order Confirming Application of*

¹ The Debtors in these title III cases, along with each Debtor’s respective title III case number listed as a bankruptcy case number due to software limitations and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17-BK-3283 (LTS)) (Last Four Digits of Federal Tax ID: 3481), (ii) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17-BK-3566(LTS)) (Last Four Digits of Federal Tax ID: 9686), (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17-BK-3567 (LTS)) (Last Four Digits of Federal Tax ID: 3808), (iv) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17-BK-3284 (LTS)) (Last Four Digits of Federal Tax ID: 8474), and (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747).

Automatic Stay (the “Stay Motion”).² In support of this Urgent Motion the Committee respectfully represents as follows:

RELIEF REQUESTED

1. By this Urgent Motion, the Committee respectfully requests entry of the Proposed Order setting an objection deadline for the Stay Motion no later than seven days after the filing of the Stay Motion, *i.e.*, by **4:00 p.m. (AST) on Wednesday August 29, 2018**. The Committee also requests that it be given the opportunity to reply to any objection no later than **12:00 p.m. (AST) on Thursday, September 6, 2018**. The Committee believes that this expedited schedule is appropriate, as it provides interested parties the same amount of time to prepare and file any objection as they would have under the Fifth Amended Case Management Procedures [Docket No. 3730].³ **Moreover, both the Oversight Board and AAFAF have agreed to the expedited schedule proposed in this Urgent Motion.**⁴

JURISDICTION AND VENUE

2. The United States District Court for the District of Puerto Rico has subject matter jurisdiction over this matter pursuant to PROMESA section 306(a).⁵ Venue is proper pursuant to PROMESA section 307(a).

3. The statutory bases for the relief requested herein are section 105(a) of the Bankruptcy Code and Bankruptcy Rule 9006, made applicable to these Title III cases by

² All capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Stay Motion.

³ Under the Fifth Amended Case Management Procedures, and pursuant to the *Order Regarding Filing and Briefing Deadlines in Connection with the September 13, 2018, Omnibus Hearing* [Docket No. 3780], the deadline to file pleadings to be considered at the September 13, 2018 omnibus hearing was August 21, 2018, with objections due August 28 and replies (for the Debtors and the official committees) due September 5, 2018.

⁴ The Oversight Board and AAFAF have conditioned their consent on receiving the same number of days to respond to the Stay Motion as they would have had had the Stay Motion been filed on August 21, 2018 (*i.e.* one day prior). To ensure that this condition is satisfied, the Committee has consented to shorten its own reply period if necessary and, accordingly, respectfully requests that if the September 6, 2018 reply deadline is not acceptable to the court, that the court set the Committee’s reply deadline at 4:00 p.m. on September 5, 2018 (*i.e.* when the Committee’s reply deadline would have been without an expedited schedule).

⁵ References to PROMESA are references to 48 U.S.C. §§ 2101 *et. seq.*

sections 301(a) and 310 of PROMESA, Rule 9013-1 of the Local Bankruptcy Rules for the United States Bankruptcy Court for the District of Puerto Rico (the “Local Rules”), and the Fifth Amended Case Management Procedures [Docket No. 3730].

BASIS FOR RELIEF REQUESTED

4. Bankruptcy Rule 9006(c)(1) provides that “the court for cause shown may in its discretion with or without motion or notice order the period [for notice] reduced.” Further, Local Rule 9013-1(a) allows a party to request that a court “consider a motion on an expedited basis.” Cause exists to schedule the Stay Motion on an expedited basis.

5. As explained more fully therein, the Stay Motion seeks entry of an order enforcing the automatic stay against GDB and AAFAF by declaring that (a) the GDB Restructuring violates the automatic stay under section 362 of the Bankruptcy Code and the Stay Order, (b) any limitations on claims that have been or may be asserted by the Title III Debtors against GDB or related third-parties are void, and (c) any transfer or “shielding” of assets pursuant to the GDB Restructuring that could have been used, prior to the implementation of the GDB Restructuring, to satisfy claims of the Title III Debtors by GDB, is void. Because the Title VI case and related solicitation activities have already been commenced and GDB seeks to finalize the GDB proceeding by scheduling a hearing for approval of the Qualifying Modification on November 6, 2018, prior to the November 7 omnibus hearing, it is paramount that the Stay Motion be considered on an expedited basis at the omnibus hearing scheduled for September 13, 2018.

6. The Committee has made no secret of its belief that the GDB Restructuring, as currently structured, is improper; indeed, at the July 25, 2018 omnibus hearing counsel for the Committee stated that the Committee has “concerns about the GDB restructuring,” and that

while the Committee was in discussions with counsel for AAFAF to try to resolve these issues, if an agreement cannot be reached with AAFAF “there’s likely to be a lot of legal turbulence between the Committee and the debtors.”⁶ In light of the Committee’s prior statements and discussions, the Committee respectfully submits that seven days’ notice is sufficient time to respond to the Stay Motion and, therefore, shortening the notice period will not prejudice any party in interest.

7. Pursuant to Section I.H. of the *Fifth Amended Case Management Procedures* [Docket No. 3730], undersigned counsel certifies that it has engaged in reasonable, good-faith communications with counsel to other interested parties. Moreover, in accordance with Local Bankruptcy Rule 9013-1(a)(2), undersigned counsel certifies that counsel has carefully examined the matter and concluded that there is a true need for an urgent hearing, and that the movant has not created the urgency through lack of due diligence on its part. The undersigned further certifies that movant made a bona fide and good faith effort to resolve the matter without a hearing.

NOTICE

8. Notice of this Urgent Motion has been provided to the following entities, or their counsel, if known: (i) the U.S. Trustee; (ii) the Office of the United State Attorney for the District of Puerto Rico; (iii) the Oversight Board; (iv) the Puerto Rico Fiscal Agency and Financial Advisory Authority; (v) the official committee of retirees; (vi) the insurers of the bonds issued or guaranteed by the Debtors; (vii) counsel to certain ad hoc groups of holders of bonds

⁶ See Hr’g Tr. 34:8-22, July 25, 2018.

issued or guaranteed by the Debtors;⁷ and (viii) all parties that have filed a notice of appearance in the Title III Cases

NO PRIOR REQUEST

9. No previous request for the relief requested herein has been made to this or any other court.

[Remainder of page intentionally left blank.]

⁷ Which include the Mutual Fund Group, the Ad Hoc Group of General Obligation Bondholders, the COFINA Senior Bondholders' Coalition, and the QTCB Noteholder Group, each as such group is defined at Docket Nos. 28, 68, 216, and 134, respectively.

WHEREFORE, the Committee respectfully requests that the court enter the proposed order attached hereto as **Exhibit A** expediting consideration of the Stay Motion and granting such other relief as the court deems just and proper.

Dated: August 22, 2018

/s/ Luc A. Despins

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- and -

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